

Michael J. Frevola
Christopher R. Nolan
Lissa D. Schaupp
HOLLAND & KNIGHT LLP
195 Broadway
New York, NY 10007-3189
(212) 513-3200

ATTORNEYS FOR PLAINTIFF
FRONT CARRIERS LTD.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

FRONT CARRIERS LTD.,

Plaintiff,

-against-

TRANSFIELD ER CAPE LTD.,

Defendant.

07 Civ. 6333 (RJS)

**ANSWER TO
COUNTER-CLAIM**

Plaintiff, Front Carriers Ltd. ("Front Carriers" or "Plaintiff"), by and through its attorneys, Holland & Knight LLP, for its answer to the counter-claim alleged by Transfield ER Cape Ltd. ("Transfield" or "Defendant"), responds to the counter-claim paragraphs in Defendant's Answer With Affirmative Defenses and Counterclaim as follows:

1. Plaintiff admits the allegations contained in numbered paragraph 1 of the Counter-claim section of Defendant's Answer With Affirmative Defenses and Counterclaim.
2. Plaintiff denies knowledge or information sufficient to admit or deny the allegations contained in numbered paragraph 2 of the Counter-claim section of Defendant's Answer With Affirmative Defenses and Counterclaim.

3. Plaintiff admits the allegations contained in numbered paragraph 3 of the Counter-claim section of Defendant's Answer With Affirmative Defenses and Counterclaim.

4. Plaintiff admits that it entered into a Contract of Affreightment with Defendant on the AMWELSH Coal Charter Form 1979 dated August 9, 2005 (the "COA"), the terms of which are set forth in that document.

5. Plaintiff denies the allegations contained in numbered paragraph 5 of the Counter-claim section of Defendant's Answer With Affirmative Defenses and Counterclaim.

6. Plaintiff:

- a. Denies the allegations contained in numbered paragraph 6(a) of the Counter-claim section of Defendant's Answer With Affirmative Defenses and Counterclaim;
- b. Denies the allegations contained in numbered paragraph 6(b) of the Counter-claim section of Defendant's Answer With Affirmative Defenses and Counterclaim;
- c. Admits that all voyages under the COA were from Australia to Continental Europe, with a variety of port options, but denies the remainder of the allegations contained in numbered paragraph 6(c) of the Counter-claim section of Defendant's Answer With Affirmative Defenses and Counterclaim;
- d. Denies that it breached the COA and that Defendant had to mitigate such breach, and denies knowledge or information sufficient to admit or deny the allegations contained in numbered paragraph 6(d) of the Counter-claim

section of Defendant's Answer With Affirmative Defenses and Counterclaim;

- e. Denies Transfield's assumption that the 4th COA voyage would have lasted only 60 days, but admits the remainder of the allegations contained in numbered paragraph 6(e) of the Counter-claim section of Defendant's Answer With Affirmative Defenses and Counterclaim;
- f. Denies the allegations contained in numbered paragraph 6(f) of the Counter-claim section of Defendant's Answer With Affirmative Defenses and Counterclaim;
- g. Denies knowledge or information sufficient to admit or deny the allegations regarding the SIDRIS GS, and deny the remainder of the allegations contained in numbered paragraph 6(g) of the Counter-claim section of Defendant's Answer With Affirmative Defenses and Counterclaim;
- h. Denies the allegations contained in numbered paragraph 6(h) of the Counter-claim section of Defendant's Answer With Affirmative Defenses and Counterclaim; and
- i. Denies the allegations contained in numbered paragraph 6(i) of the Counter-claim section of Defendant's Answer With Affirmative Defenses and Counterclaim.

7. Plaintiff denies the allegations contained in numbered paragraph 7 of the Counter-claim section of Defendant's Answer With Affirmative Defenses and Counterclaim.

8. Plaintiff admits that the COA calls for Paris arbitration and that it provides for French law, but denies the remainder of the allegations contained in numbered paragraph 8 of the Counter-claim section of Defendant's Answer With Affirmative Defenses and Counterclaim.

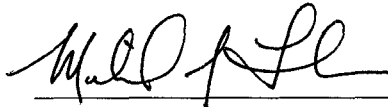
9. Plaintiff denies the allegations contained in numbered paragraph 9 of the Counter-claim section of Defendant's Answer With Affirmative Defenses and Counterclaim.

WHEREFORE, Front Carriers Ltd. respectfully prays that this Court dismiss Defendant's counterclaim and /or deny Defendant's request for counter-security.

Dated: New York, New York
October 26, 2007

HOLLAND & KNIGHT LLP

By:



Michael J. Frevola

Lissa Schaupp

195 Broadway

New York, NY 10007-3189

Tel: (212) 513-3200

Fax: (212) 385-9010

Attorneys for Plaintiff

Front Carriers Ltd.